



Budgeting 102 for Libraries

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Agenda

- 2009 Budget Status
- 2010 Budget Issues
- Control Boards and Excess Levies
- Capital Project Funds
- TIR/TIF & Circuit Breakers
- “Non-Binding Recommendations”
- Reminders
- Contacts



2009 Budget Status

- Additional appropriation requests are being processed as soon as budget order for a county is certified
- DLGF has certified 56 counties 2009 Budget Orders as of June 2
- Average time to process an Order is 36 days (from receipt of certified assessed values until order is issued)
- Field representatives now review the Order before sending to auditor



2009 Budget Status Map

Status Map Available at:
http://www.in.gov/dlgf/files/2009_Cert_Status.pdf

2008 pay 2009 Budget Certification Status Map

Indiana Counties

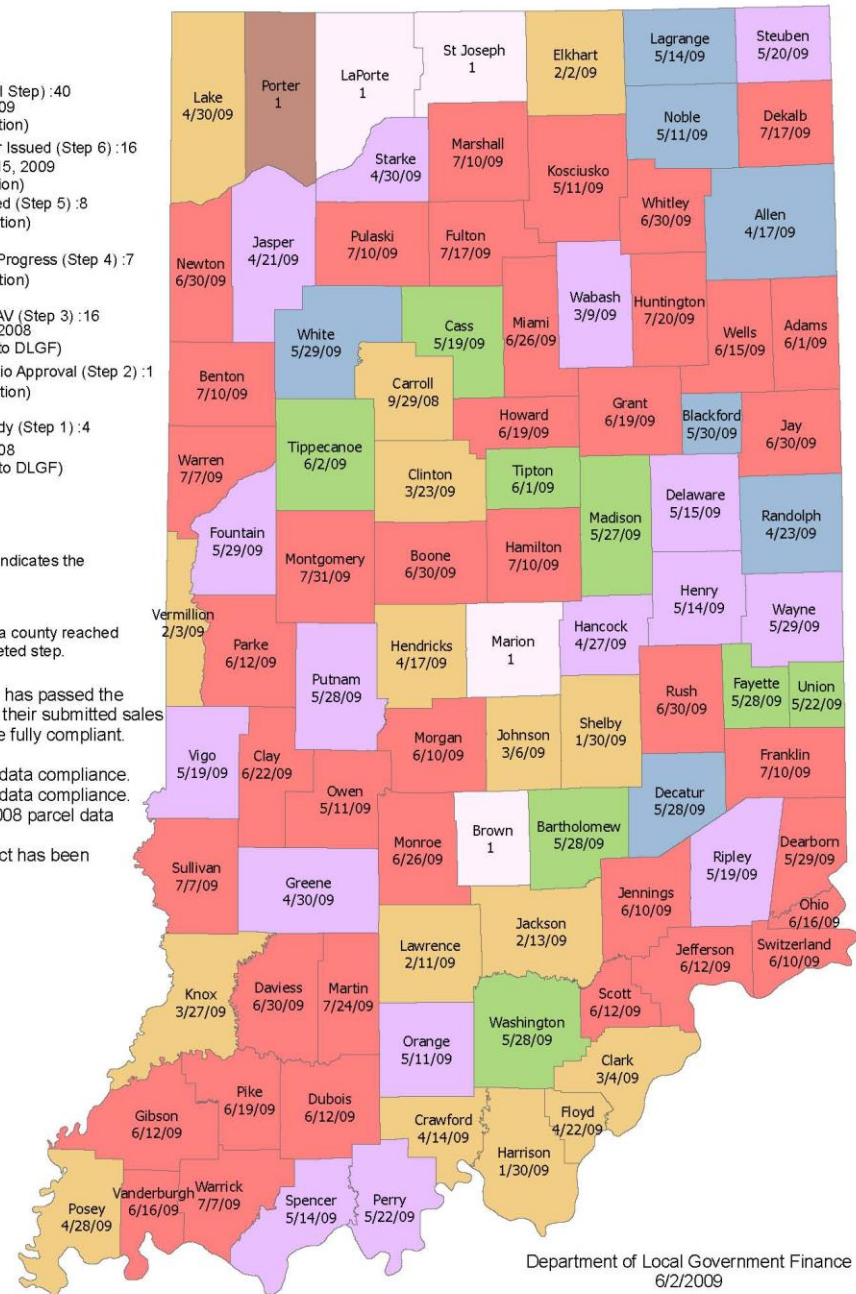
- Tax Bills Due (Final Step) :40
Due May 11, 2009
(Co. Treasurer Action)
- Final Budget Order Issued (Step 6) :16
Due February 15, 2009
(DLGF Action)
- 1782 Notices Issued (Step 5) :8
(DLGF Action)
- Budget Review in Progress (Step 4) :7
(DLGF Action)
- Awaiting Certified AV (Step 3) :16
Due August 1, 2008
(Co. Auditor sends to DLGF)
- Awaiting Sales Ratio Approval (Step 2) :1
(DLGF Action)
- Awaiting Ratio Study (Step 1) :4
Due Spring 2008
(Co. Assessor sends to DLGF)

NOTE: The current color indicates the previous step has been completed or approved.

A date indicates the date a county reached their most recently completed step.

M-W indicates a county has passed the Mann-Whitney test and their submitted sales and parcel data sets are fully compliant.

- 1 indicates 2006 Sales data compliance.
- 2 indicates 2007 Sales data compliance.
- 3 indicates 2007 pay 2008 parcel data compliance.
- 4 indicates 2008 abstract has been completed.

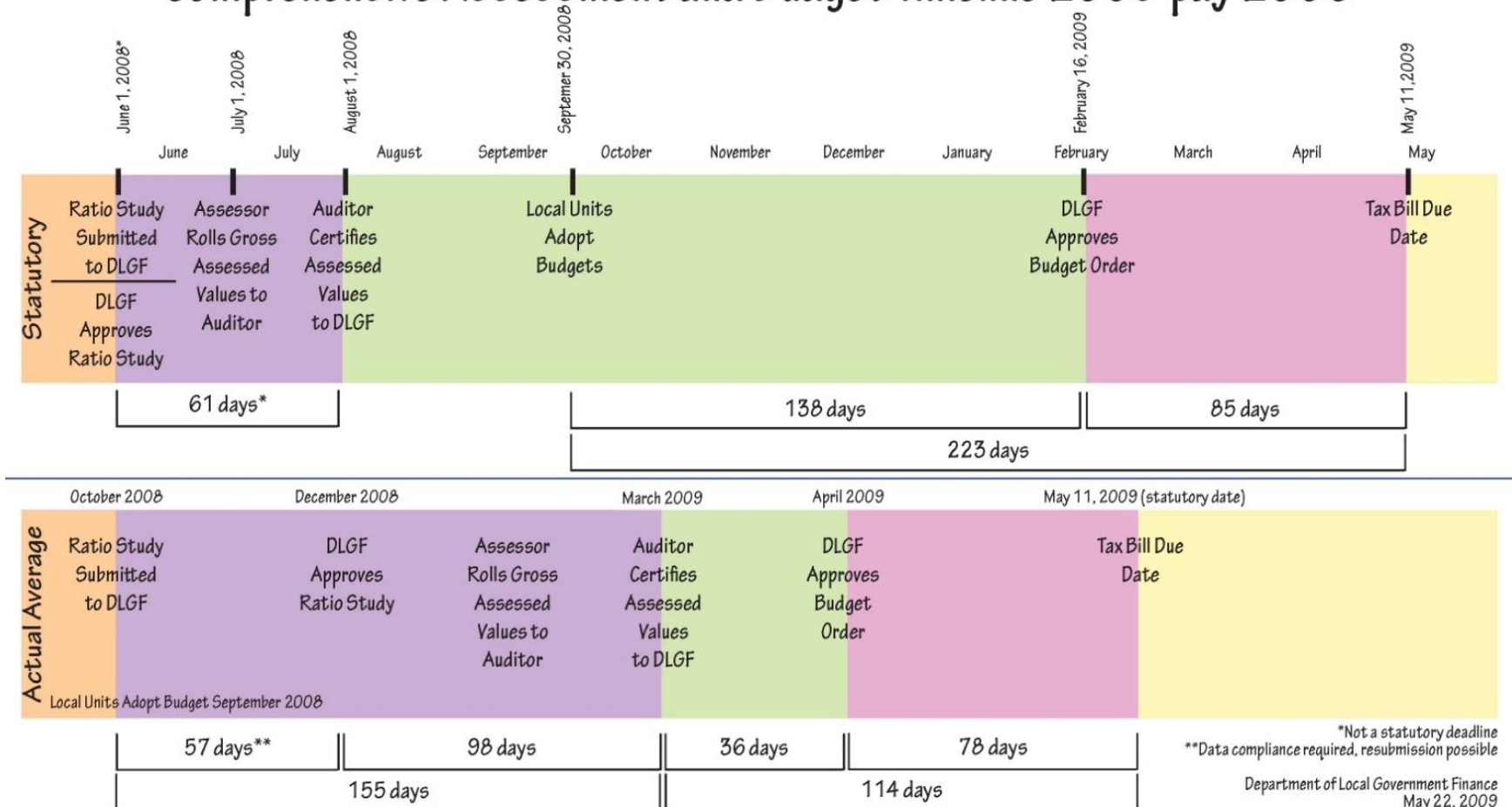


Department of Local Government Finance
6/2/2009



Budget Process

Comprehensive Assessment and Budget Timeline 2008 pay 2009



"Committed to a fair and equitable property tax system for Hoosier taxpayers."



2010 Budget Issues

- No major legislative changes for 2009-2010 – Yet!
- **NEW!** Last date for 2nd advertisement of public hearing for budgets remains at Aug 9!
- Lack of legislative changes means:
 - No anticipated changes to 2010 budget forms
 - No changes anticipated for TIF neutralization forms
 - No changes anticipated for CPF process



2010 Budget Issues

- No known legislative changes to assessed values for taxes payable in 2010
- Dollars appropriated by state for homestead credits are reduced
- Circuit breaker credits will be 1% for homesteads; 2% for non-homestead residential; 3% for commercial and industrial



2010 Budget Issues

- Control Boards – Only function now to hear excessive levy appeals and levies for new taxing units
 - Remaining excessive levy appeals are:
 - Shortfalls due to erroneous assessed values
 - Correction of error that was used to calculate rate
 - Annexation, consolidation or extension of services
 - 3 year growth exceeds state-wide average
 - Unit cannot carryout its governmental functions under the levy limits due to a natural disaster, an accident, or another unanticipated emergency

IC 6-1.1-18.5-12



Excess Levy Appeal Process

- Units requesting an excess levy appeal must include the appeal in the ensuing year's budget and levy
- Amount of the appeal must be included in the budget notice (ad)
- The appeal must be approved by the fiscal body
- Units must file the appeal with the DLGF by Sept. 20 (Shortfall appeals must be filed by Dec. 31)



Excess Levy Appeal Process

- Units file the appeal by completing Hearing Information Sheets and submitting to DLGF Budget Division
- Forms are on DLGF web page
- Hearing will be scheduled with the Control Board
- Most units will need to appear before the Control Board to explain the need
- Control Board will take a vote to make a recommendation to the Commissioner



Control Boards

- Both School and Local Property Tax Control Boards are scheduled to meet once per month
- Control Boards are recommending bodies – they make a recommendation to the Commissioners of DLGF to consider
- Local Control Board also considers newly formed units request to establish a new maximum levy
- Commissioner may elect to undergo a separate review in addition to the Board's recommendation



Capital Project Funds

- Exclusion of CPF levy from maximum levy calculation was removed last year
- DLGF interpreted the change to add the 2009 CPF levy to the existing maximum levy
- Effect was not to harm libraries with existing CPF plans, rates and levies
- There was no other statutory change to CPF language or requirements
- No changes from 2009 general assembly



Establishing a Capital Projects Fund

- After Jan 1 and before May 15, a library board must:
 - 1) Prepare a proposed Plan and LCPF Plan Summary
 - 2) Hold a public hearing after the 10 day notice on the proposed plan
 - 3) Library board may pass a resolution to adopt a plan
 - 4) Submit the plan for approval or rejection by the fiscal body

Steps 1 through 4 must be completed before May 15.



Establishing a Capital Projects Fund

5. Fiscal body advertises a public notice and holds a hearing on the LCPF within 30 days of receiving the plan. Fiscal body either approves or denies. Approved plans are submitted to DLGF on or before September 20 of year preceding the effective year of plan.
 - DLGF will determine if the plan has been properly advertised;
 - The plan was adopted by the board in a timely manner;
 - Conforms to the prescribed format;
 - Plan was timely filed with the DLGF



Establishing a Capital Projects Fund

6. DLGF will notify the Library Board to advertise the Notice of Adoption (1) time. Ten or more taxpayers affected by the Plan may file a petition with the County Auditor not later than 10 days after the publication of the Notice of Adoption. Auditor certifies the petition to the DLGF.
7. DLGF schedules a hearing with at least 5 days notice.
8. DLGF certifies its findings and determination after the hearing. May be appealed within 45 days.



Establishing a Capital Projects Fund

9. If no objection is filed, within 10 days following the objection period, unit must submit to DLGF proofs of publication of the Notice of Adoption and the Auditor's Certificate of No Remonstrance. DLGF will issue its order either approving or denying the Plan.

The Plan must be incorporated into the ensuing year's budget to receive funding.



New Last Year

TIRs – Now within the maximum levy controls

Circuit Breaker Credits

- Auditors are required to report impact to DLGF according to IC 6-1.1-20.6-11
- Required to be reported within 30 days of date of property tax bill
- DLGF needs the information by taxing unit and fund
- Auditor also is required to notify units of the reduction in property tax collections due to Circuit Breaker Credits



New Last Year

IC 6-1.1-17-20(d) If assessed value is not entirely within a city or town; nor was the taxing unit originally established by a city or town, the governing body of the taxing unit (library) must submit its proposed budget and proposed tax levy to the county fiscal body in the county where the unit has the most assessed value. The proposed budget and levy must be submitted at least fourteen (14) days before the county fiscal body is required to hold budget approval hearings.



New Last Year

County Council “Non-binding Recommendation”

- Civil taxing units must submit the proposed budget to the county council at least 15 days prior to adoption
- County council issues a “non binding recommendation”
- Fiscal body is to consider the recommendation when adopting budget, rates, and levies



Council Recommendation Form

- Last year county councils asked DLGF to provide an optional form or format for the non-binding recommendation
- DLGF designed an Excel spreadsheet to include all the required information
- We attempted to provide a form that could be uploaded and downloaded
- The form can still be used and the DLGF will still provide the 2009 certified information, but the other features are inoperative



Council Recommendation Form

Appointed Boards Review Form
County Council Budget Review Form 1
Taxing Unit Type, Levy, and Rate

Budget Year 2009

Comparison to the current year property tax levy to the proposed property tax levy and the current rates and the proposed property tax rates.

Current Year
State AVGQ In 3.700%

2009 Average
4.000%

Approve

Modify

Commit

Unit Type: County

Council Recommendation:

Unit Name: FORT BRANCH-JOHNSON TOWNSHIP LIBRARY

Unit Code: 2610000

Fund Code	Fund Name	A Fund Balance as of 6-30-2008	B 2008 Certified Budget	C 2009 Unit Proposed Budget	D % Change, 2008-2009	E 2009 County Approved Budget	F 2008 Certified Levy	G 2009 Unit Proposed Levy	H % Change, 2008-2009	I 2009 County Approved Levy
0061	RAINY DAY	\$0.00	\$ 16,000	\$ 17,120	7.00%		\$ 12,000	\$ 12,500	4.17%	
0101	GENERAL	\$0.00	\$ 349,825	\$ 374,313	7.00%		\$ 300,000	\$ 330,000	10.00%	
0181	DEBT REPAYMENT	\$0.00	\$ 194,365	\$ 207,971	7.00%		\$ 150,000	\$ 160,000	6.67%	
1220	LIBRARY CPF	\$0.00	\$ 29,000	\$ 31,030	7.00%		\$ 25,000	\$ 30,000	20.00%	
2011	LIRF	\$0.00	\$ 10,000	\$ 10,700	7.00%		\$ 9,000	\$ 10,000	11.11%	
9999	TOTAL	\$0.00	\$ 599,190	\$ 641,133	7.00%		\$ 580,000	\$ 600,000	3.45%	

Council President (or Designee)

Date

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“Disclosure of Contractual Obligations and Debt Service” form

- Form is a declaration of surplus revenues to TIF
- Due to the County Auditor by July 15
- Form is used to move surplus TIF value to the base
- Declaration has potential to reduce TIF revenue and increase tax distribution



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Reminders

- Report outstanding debt at end of year to the DLGF
- The reporting of annual expenditures is accomplished when the units file the annual report with the SBoA
- Remember to report the circuit breaker credits to the DLGF and the units
- Both budget advertisements need to be advertised **before** Aug 10.



Reminders

- The certified budget order is your notice/approval to transfer balances from the levy excess fund to your operating fund(s)
- That transfer is to replace property tax levy for that fund
- Money in the levy excess fund is from previous property tax collections that exceeded the certified levy



Contact the Department

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 - “Contact Us”: www.in.gov/dlgf/2338.htm.